

February 19, 1999

Honorable Bob Smith
United States Senate
Washington, DC 20510-2903

Dear Senator Smith:

I am writing in response to your November 24th inquiry on behalf of [redacted] who is concerned about allegations that have come to her attention regarding the sale of contaminated blood obtained from prisoners in Arkansas and sold to other countries.

In order for the FBI to initiate an investigation of any complaint we receive, specific facts must be set forth to indicate that a violation of federal law within our investigative jurisdiction has occurred. Although [redacted] has passed along a number of allegations, there are insufficient facts to demonstrate a violation of federal law within our jurisdiction or to support the initiation of an FBI investigation. However, the

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[redacted]
[redacted] if she has any additional information regarding these allegations.

I hope this will be helpful to you in responding to

[redacted]

Sincerely yours,

[redacted]
Legislative Counsel
Office of Public and
Congressional Affairs

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- 1 - LEGAT, Ottawa - Encs. 2/25/99
ReBufax 2/5/99 and telcals of same date from LEGAT [redacted]
[redacted]
Correspondence Unit, OPCA, and 2/16/99 telcal from [redacted]
[redacted] to LEGAT [redacted]
① - SAC, Little Rock - Encs.
Recal 2/4/99 from [redacted]
[redacted], Correspondence Unit, OPCA.
1 - SAC, New Haven - Encs.
Based on available information, [redacted] is not identifiable in ACS.
1 - International Relations Unit #1, CID (7458) - Encs
1 - CAO (7240) - Encs.

LTP:fps

SEE NOTE ON PAGE TWO

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Honorable Bob Smith

NOTE: Per telcal from LR [redacted] and based on an extensive search of LR files, that office has no information regarding allegations of then-Governor Clinton being involved in the sale of infected blood. Per telcals to LEGAT, OTTAWA, LEGAT [redacted] advised that [redacted]

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United States Senate
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SELECT COMMITTEE ON
ETHICS
COMMITTEE ON ARMED SERVICES
COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS

November 24, 1998

John E. Collingwood
Assistant Director
Office of Public and Congressional Affairs
Federal Bureau of Investigation
935 Pennsylvania Avenue
Washington, DC 20535


Dear Mr. Collingwood:

I was recently contacted by [REDACTED] She is
understandably concerned about an allegation that in the 1980s, then-Governor Clinton was
involved in the sale of HIV-infected blood.

I have enclosed a copy of [REDACTED] correspondence for your perusal. I would
greatly appreciate it if you would look into her concerns and respond directly to me.

Thank you for your time and attention in this matter.

Sincerely yours,


Bob Smith, U.S.S.

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Enclosure

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[Handwritten mark] Just when you're certain you've heard about and explored every conceivable crime to which President Clinton has been a party, another bombshell drops.

Like so many other Clinton administration scandals, this one still hasn't been broken in the establishment U.S. press, but it has been covered extensively in Canadian papers — from the Calgary Sun to the Ottawa Citizen. Those reports have also appeared in WorldNetDaily, bringing this story to the attention of radio talk-show hosts throughout America.

Here's the story: In the early 1980s, while Bill Clinton was serving as governor of Arkansas, his administration awarded a contract to Health Management Associates to provide medical care to the state's prisoners. The president of the company was, naturally, a long-time friend and political ally of Clinton and was later appointed by him to the Arkansas Industrial Development Commission. Later, he was among the senior members of Clinton's 1990 gubernatorial re-election team.

[Handwritten mark] As part of the deal HMA struck with Arkansas, in addition to treating the prisoners, the company collected their blood and sold it. Because of the exploding AIDS crisis, U.S. regulations didn't permit the sale of prisoners' blood within the country. But HMA found a willing buyer in Montreal, which brokered a deal with Connaught, a Toronto blood-fractionator, which didn't know the source of the supplies. The blood was distributed throughout Canada by the Red Cross. Sales continued until 1983, when HMA revealed that some of the plasma might be contaminated with the AIDS virus and hepatitis. The blood was also peddled overseas.

Now the lid has been blown off this scandal by Michael Galster, who conducted orthopedic clinics in the Arkansas prison system during the period the blood was collected. Afraid to tell the story any other way, Galster authored a thinly

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Can you have
someone look into
this — please?
It needs to be
done and soon
I've kept a copy.
I also sent one to
[Redacted] Tues 29 Sept.

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velled fictional book called "Blood Trail," which tells the story of an Arkansas governor's role in the mega-scandal — an Arkansas governor, by the way, who later becomes president.

Galster charges HMA officials knew the blood was tainted as they sold it to Canada and a half-dozen other foreign countries. He also alleges that Clinton knew of the scheme and likely benefited from it financially.

"We now have solid evidence he not only knew about it, but he signed off on it," Galster told the Calgary Sun.

Galster says Clinton organized a payoff plan to various officials, including a judge, to make sure the blood sales continued. He claims millions were made from the conspiracy because between 5,000 and 8,000 units of blood were shipped every week from one prison alone. He has eyewitness reports that inmates were even drawing blood from each other with dirty needles.

So fearful of the dreaded Clinton attack machine was Galster, that he wrote the book under a pen name, Michael Sullivan. But now, as of last week, he has gone public with his story.

"Knowing the nature of politics in Arkansas, I felt unsafely exposed," said Galster.

Galster is understandably frustrated with the unwillingness of the U.S. media to seize on this latest Clinton scandal — even as the impeachment process begins to move forward.

"If you would just listen to all of the dying people out there, you would understand that there are much greater atrocities than a sexual liaison in the Oval Office," he told the Ottawa Citizen.

The Royal Canadian Mounted Police are now investigating the blood trail, but Galster is frustrated that the FBI has not yet conducted a probe. I have some advice for Galster on that front: Don't hold your breath.

If even a small percentage of Galster's accusations are true — and I have no doubt they are — this is criminal behavior tantamount to mass murder. No one is certain how many people in Canada and other foreign countries died as a result of infections from the bad blood. It may have been hundreds. It may be thousands.

It's worth pointing out, however, that even if the catastrophe was all the result of innocent mistakes, Clinton is the president who wanted to take over the U.S. health-care system — to nationalize it and, presumably, run it as efficiently and humanely as he and his friends in Arkansas did in the 1980s.

Can you imagine the kind of holocaust such a system would have wrought on America?

The Tainted Blood Mystery

New York Post
Sept. 25, 1998 Maggie Gallagher

Can I tell you a little story? I warn you, I don't know how it ends yet. Maybe I never will.

Once upon a time - in fact a day or two after Vince Foster died - a man called the White House Counsel's Office. "This was not a line that kooks typically rang us up on," my source told me. Lunatics call the main office number. This guy called one of Vince's assistants directly.

The man said he had some information that might be important. Something had upset Vince Foster greatly just days before he died. Some thing about "tainted blood" that both Vince Foster and President Clinton knew about, this man said.

"I'm only telling you this now because Vince Foster was very distressed about this only days before his death," the mysterious caller (whose name I am withholding) said. "I'm not saying this caused his suicide. I'm only saying it might have contributed to his distress and I thought someone should know."

The White House Counsel's office didn't pay much attention. "Probably a kook", they agreed around the office.

Probably.

Except that when his computer name was typed into the computer log of phone calls for Vince, something strange happened. The computer flashed "password required" or some such phrase indicating a special code was needed to open that file. "Aw, probably just a computer glitch," Bernie Nussbarn, then chief White House Counsel, said at the time. And so the matter, as far as I know, was



-dropped.

A strange little memory fragment, meaningless in itself, no? Until last week, when a story published in The Ottawa Citizen suddenly jogged it front and center.

"HIV BLOOD CAME FROM ARKANSAS JAIL," the head line screamed. Then, The Ottawa Citizen reports, "A U.S. firm with links to President Clinton collected HIV-tainted blood from Arkansas prison inmates in the 1980's and shipped it to Canada, newly uncovered documents reveal... It is like several hundred, perhaps thousands, were infected by the tainted products."

Seems the now defunct Health Management Associates, headed by an FOB named Leonard Dunn (who served as head of the Finance Committee in Clinton's 1990 gubernatorial election campaign, for instance) how a contract to offer medical care to and sell blood from Arkansas prisoners.

By 1985 the AIDS crisis made it impossible to sell prisoners' blood in the United States or most other places. HMA found one willing blood broker in Montreal who retailed it to another Canadian company who didn't know it came from prisoners. Bingo! A few hundred Canadians infected with an incurable deadly disease.

The Citizen says it has copies of internal Arkansas documents from police, who at this time were investigating rumors: Clinton appointees to the prison board had demanded bribes in exchange for renewing HMA's contract with the state of Arkansas in 1985.

The matter was dropped after investigators decided to accept the prison board's explanation: Bill Clinton had been very concerned about reports of inadequate medical care; a mysterious \$25,000 payment was actually a legitimate fee to obtain the services of an "ombudsman" for the prisoners, though no letter of agreement or other documentation could be found. According to the state trooper's note, HMA chief Leonard Dunn went out of his way to boast to them that he was a "friend of Gov. Clinton."

Coincidence? Or a piece of the puzzle we didn't even know was there? I don't know.

One thing I do know, Mr. Name Withheld, the conscientious guy who tried to inform the authorities about Vince Foster's distress over "tainted blood", your message didn't get through. If you contact me (Mgallagher@compuserv.com), I'll try to bring it to their attention.

